



Reward your customers with quantity discounts

A discount is a reduction in the typical price of a product or service. A discount list contains one or more discounts. When structuring discount lists, it is better to include all quantity discounts that will apply to a particular product or service in one discount list.



Use quantity discounts to reward your customers

In this article a fictitious company, Wingtip Toys, is used to illustrate an example of a quantity discount pricing scenario. To set up this quantity discount structure, you will use information from this fictitious company and create a single discount list in the Microsoft Dynamics CRM 3.0 product catalog. Then, you will create two discounts to add to the discount list; a discount for orders of between 11 and 20 units, and a second discount for orders of 21 or more units.

Note: The procedures in this article assume that the products and units are already established in the product catalog. For more information about how to create the product catalog and add items to it, such as products, units, discounts, and pricing methods, see the Microsoft CRM Help. Wingtip Toys is a small distributor of toy products. The company is developing methods to increase sales of their beach ball product. Therefore, Wingtip Toys decides to offer quantity discounts as a way to motivate customers to buy more beach balls. As a result of this decision, Wingtip Toys will use the following quantity discount pricing strategy:

Quantity Discount Schedule			
Beach Balls	1 – 10 Units	11 – 20 Units	21 Or More Units
Price Per Unit	\$1.00	\$1.00	\$1.00
Quantity Discount (percent)	0%	5%	10%
Final Price Per Unit	\$1.00	\$.95	\$.90

To create the discount lists for this product using Microsoft CRM, follow these steps:

Step 1: Create the discount list

1. In the Navigation Pane, click **Settings**.
2. Under **Settings**, click **Settings**. Then, in the Settings area click **Product Catalog**, and then click **Discount Lists**.
3. On the **Actions** toolbar, click **New**.
4. In the Discount List form, enter the following information:

Name

You must enter a name with a length of 100 characters or less. The information should be meaningful and unique, such as *Wingtip Toys Beach Ball Discount List*.

Type

Select the type of discount that will be applied to the product. You can choose a percentage, or a fixed amount. For this example, select **Percentage**.

5. Click **OK**. The Discount List form appears. Leave this form open; it will be used to add the discounts in the next section.

Step 2: Create and add the discounts to the discount list

1. In the Discount List form, under **Details**, click **Discounts**.
2. Click **New Discount**. The Discount form appears.
3. In the General section, complete the following information:

Begin Quantity

This is the beginning quantity that the discount will be applied to. For the first discount, with quantities between 11 and 20, Wingtip Toys wants a beginning quantity of 11. Therefore, type *11*.

End Quantity

This is the ending quantity that the discount will be applied to. For the first discount, with quantities between 11 and 20, Wingtip Toys wants an ending quantity of 20. Therefore, type *20*.

Percentage

This is the percentage amount that will be applied to this discount. For the first discount, with quantities between 11 and 20, Wingtip Toys wants discount of five percent. Therefore, type *5*.

4. Click **Save and Close**.

Add the second discount to the discount list

1. To create the second discount, in the Discount List form, click **New Discount**. The Discount form appears.
2. In the General section, complete the following information:

Begin Quantity

This is the beginning quantity where the discount will be applied. For the second discount, with quantities of 21 or more units, Wingtip Toys wants a beginning quantity of 21. Therefore, type *21*.

End Quantity

This is the ending quantity where the discount will be applied. For the second discount, the ending quantity must cover the highest possible number of units that can be sold. Microsoft CRM supports up to 1,000,000,000 (1 billion). Wingtip Toys cannot support orders for more than 1,000 beach balls, so type *1,000*.

Percentage

This is the percentage amount that will be applied to this discount. For the second discount, with quantities more than 21, Wingtip Toys wants a discount of ten percent. Therefore, type *10*.

3. Click **Save and Close**.

After the discounts are created, the discount list must be added to a price list so that the discounts are available for quotes, orders, and invoice generation. To add the discount list to a price list, follow step 3.

Step 3: Create the price list and add the product and discount list

1. In the Navigation Pane, click **Settings**.
2. Under **Settings**, click **Settings**. Then, in the Settings area click **Product Catalog**, and then click **Price Lists**.
3. On the **Actions** toolbar, click **New**.
4. Type a name in the **Name** field, such as *Wingtip Toys Beach Ball Discounted Price List*, and then click **Save**.
5. Under **Details**, click **Price List Items**, and then click **Add Price List Items**.
6. On the Price List Item form, enter the following information:

Product

Click **Lookup** to search for and select the product that you want. For this example, select the beach ball product.

Unit

Click **Lookup** to search for and select the unit that you want. For the beach ball product, select a unit that represents a single item because the beach balls are most commonly sold individually.

Discount

Click **Lookup** to search for and select the discount list that was created in steps 1 and 2, which is named *Wingtip Toys Beach Ball Discount List*.

Quantity Selling Option

Select a quantity selling option from the list. For the beach ball product, because you do not sell fractions of a beach ball, select **Whole**.

Pricing Method

For this example, the pricing method will be set to the default, which is **Currency Amount**.

Amount (\$)

Enter the base cost that the product will list. For the beach ball product, type *1*.

7. Click **Save and Close** to close the Price List Items form.
8. Click **Save and Close** to close the Price List form.

The quantity discounted price list is ready and will automatically calculate the discounts based on the quantity amount for quotes, orders, or invoices.